CLAIMS

What is claimed is:

1. A method for obtaining an estimated financial outcome for a pool of loans comprising:

obtaining an estimated value for a property associated with a loan from the pool;

obtaining an estimated net proceeds amount from a sale of the property associated

5   with the loan;

obtaining an estimated liquidation time between a last interest paid date for the loan and a receipt of the net proceeds from the sale of the property;

obtaining an estimated total debt amount for the loan;

deriving the difference between the estimated net proceeds and the estimated total

10 debt to yield an estimated financial outcome from the sale of the property associated with the loan; and

applying the estimated financial outcome from the sale of the property associated with the loan to yield the estimated financial outcome for the pool.

2. The method of claim 1 wherein the operation of obtaining an estimated value for the property includes applying a property value decision tree to obtain the estimated value for the property.

3. The method of claim 2 wherein the operation of applying the property value decision tree includes:

obtaining an actual sales price for the property; and

setting the estimated value for the property at the actual sales price for the

5   property.

4. The method of claim 2 wherein the operation of applying the property value decision tree includes:

obtaining a contract price for the property; and

setting the estimated value for the property at the contract price for the property.

5. The method of claim 2 wherein the operation of applying the property value decision tree includes:

obtaining a list price for the property;

obtaining an appraisal for the property; and

5   setting the estimated value for property at the lesser of the list price and the appraisal.

6.   The method of claim 2 wherein the operation of applying the property value decision tree includes:

obtaining a list price for the property;

obtaining a first broker price opinion for the property;

5   obtaining a second broker price opinion for the property;

averaging the first broker price opinion and the second broker price opinion; and

setting the estimated value for the property at the lesser of the list price and the average of the first broker price opinion and the second broker price opinion.

7.   The method of claim 2 wherein the operation of applying the property value decision tree includes:

obtaining a list price for the property;

obtaining a first broker price opinion for the property; and

5   setting the estimated value for property at the lesser of the list price and the first broker price opinion.

8.   The method of claim 2 wherein the operation of applying the property value decision tree includes:

obtaining a list price for the property; and

setting the estimated value for the property at the list price for the property.

9.   The method of claim 2 wherein the operation of applying the property value decision tree includes:

obtaining an appraisal for the property; and

setting the estimated value for the property as the appraisal of the property.

10.   The method of claim 2 wherein the operation of applying the property value decision tree includes:

obtaining a first broker price opinion for the property; and

setting the estimated value for the property as the first broker price opinion for the

5   property.

11.   The method of claim 10 wherein the operation of obtaining an estimated value for the property includes:

obtaining a second broker price opinion for the property;

averaging the first broker price opinion with the second broker price opinion; and

5   setting the estimated value for the property as the average of the first broker price opinion and the second broker price opinion.

12.   The method of claim 2 wherein the operation of applying the property value decision tree includes:

obtaining an original appraised value of the property;

obtaining a quarterly housing price index factor for each quarter since an

5   origination of the loan;

summing the quarterly HPI factors;

adding one to the result of the operation of summing;

multiplying the original appraised value by the result of the operation of adding; and

10   setting the value for the property as the result of the multiplying operation.

13.   The method of claim 1 wherein the operation of obtaining an estimated liquidation time includes applying a liquidation time value decision tree.

14.   The method of claim 13 wherein the operation of applying a liquidation time value decision tree includes:

obtaining a first time factor to account for a payment plan associated with the loan; and

5   adding the first time factor to the last interest paid date.

15.   The method of claim 14 wherein the operation of obtaining a first time factor to account for a payment plan includes:

determining an end date for the payment plan;

determining a current date;

5   subtracting the current date from the end date for the payment plan; and

wherein the operation of subtracting generates the first time factor to account for a payment plan.

16.   The method of claim 13 wherein the operation of applying a liquidation time value decision tree includes:

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obtaining a second time factor to account for a bankruptcy proceeding associated with the loan; and

5   adding the second time factor to the last interest paid date.

17.   The method of claim 16 wherein the operation of obtaining a second time factor to account for a bankruptcy proceeding associated with the loan includes:

determining whether a chapter thirteen bankruptcy proceeding, a chapter seven bankruptcy proceeding, a chapter twelve bankruptcy proceeding, or another chapter

5   bankruptcy proceeding is associated with the loan;

setting the second time factor to three months if the chapter thirteen bankruptcy proceeding is associated with the loan;

setting the second time factor to six months if the chapter seven bankruptcy proceeding is associated with the loan;

10   setting the second time factor to twelve months if the chapter eleven bankruptcy proceeding is associated with the loan; and

setting the second time factor to three months if another bankruptcy proceeding or an unidentified bankruptcy proceeding is associated with the loan.

18.   The method of claim 13 wherein the operation of applying a liquidation time value decision tree includes:

obtaining a third time factor to account for litigation associated with the loan; and

adding the third time factor to the last interest paid date.

19.   The method of claim 18 wherein the operation of obtaining a third time factor to account for litigation associated with the loan includes:

determining if there is litigation associated with the loan; and

setting the third time factor to twelve months if there is litigation associated with

5   the loan.

20.   The method of claim 13 wherein the operation of applying a liquidation time value decision tree includes:

obtaining a fourth time factor to account for foreclosure proceedings associated with the loan; and

5   adding the fourth time factor to the last interest paid date.

21. The method of claim 20 wherein the operation of obtaining a fourth time factor to account for foreclosure proceedings associated with the loan includes:

determining a foreclosure start date;

determining a current date;

5   subtracting the foreclosure start date from the current date; and

wherein the operation of subtracting yields the fourth time factor.

22. The method of claim 13 wherein the operation of applying a liquidation time value decision tree includes:

obtaining a fifth time factor to account for a delinquency status associated with the loan; and

5   adding the fifth time factor to the last interest paid date.

23. The method of claim 22 wherein the operation of determining a fifth time factor to account for a delinquency status associated with the loan includes:

determining whether the loan has a delinquency status of current, 30 days delinquent, 60 days delinquent, or 90 days delinquent;

5   setting the fifth time factor to two months if the delinquency status is 30 days delinquent;

setting the fifth time factor to one month if the delinquency status is 60 days delinquent;

setting the fifth time factor to zero months if the delinquency status is 90 days

10   delinquent; and

setting the fifth time factor to three months if the delinquency status is current.

24. The method of claim 13 wherein the operation of applying a liquidation time value decision tree includes:

obtaining a sixth time factor to account for a marketing period to sell the property; and

5   adding the sixth time factor to the last interest paid date.

25. The method of claim 24 wherein the operation of obtaining a sixth time factor to account for a marketing period to sell the property includes:

determining if an eviction is required;

adding two months to the sixth time factor if the eviction is required;

5   determining if the property is a co-op;

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adding three months to the sixth time factor if the property is a co-op;

determining if the property is located in a depressed region;

adding twelve months to the sixth time factor if the property is in a depressed region;

10   determining if the property is in bad condition;

adding six months to the sixth time factor if the property is in bad condition;

determining if the property has a value that exceeds a specified value; and

adding two months to the sixth time factor if the property value exceeds the specified value.

26.   The method of claim 1 wherein the estimated net proceeds is a function of the estimated value for the property.

27.   The method of claim 26 wherein the operation of obtaining an estimated net proceeds from the sale of the property includes:

obtaining a commission value associated with the sale of the property; and

subtracting the commission value from the estimated value for the property to

5   obtain the estimated net proceeds.

28.   The method of claim 26 wherein the operation of estimating a net proceeds from the sale of the property includes:

obtaining an unpaid taxes value associated with the sale of the property; and

subtracting the unpaid taxes value from the estimated value for the property to

5   obtain the estimated net proceeds.

29.   The method of claim 26 wherein the operation of estimating a net proceeds from the sale of the property includes:

obtaining a closing costs value associated with the sale of the property; and

subtracting the closing costs value from the estimated value for the property to

5   obtain the estimated net proceeds.

30.   The method of claim 26 wherein the operation of estimating a net proceeds from the sale of the property includes:

obtaining a lien payoff value associated with the sale of the property; and

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subtracting the lien payoff value from the estimated value for the property to

5   obtain the estimated net proceeds.

31.   The method of claim 26 wherein the operation of estimating a net proceeds from the sale of the property includes:

obtaining a title fee value associated with the sale of the property; and

subtracting the title fee value from the estimated value for the property to obtain

5   the estimated net proceeds.

32.   The method of claim 1 wherein the estimated total debt is a function of the estimated liquidation time.

33.   The method of claim 32 wherein the operation of estimating a total debt for the loan includes:

obtaining an amortized balance for the loan;

obtaining an interest rate for the loan;

5   determining an interest since the last interest paid date, wherein the interest is a function of the interest rate, the amortized balance, and the estimated liquidation time;

obtaining a foreclosure cost;

summing the foreclosure cost with the interest to yield a first result;

obtaining a real estate owned marketing cost;

10   summing the first result with the real estate owned marketing cost to yield a second result;

obtaining a credit; and

subtracting the credit from the second result to yield the total debt for the loan.

34.   The method of claim 1 wherein the operation of applying includes determining an estimated financial outcome for each loan in the pool, and summing the estimated financial outcome for each loan to yield the estimated financial outcome for the pool.

35.   A method for determining a probability of loss for a loan comprising:

assigning a base probability of loss to the loan;

obtaining at least one characteristic of the loan;

determining at least one loss probability factor associated with the loan, wherein

5   the at least one probability factor accounts for the at least one characteristic of the loan; and

summing the at least one probability factor with the base probability of loss, wherein the summation yields the probability of loss for the loan.

36.   The method of claim 35 wherein the at least one characteristic of the loan includes a delinquency status of the loan; and

wherein the operation of determining at least one probability factor includes determining a first probability factor to account for the delinquency status of the loan.

37.   The method of claim 36 wherein the delinquency status of the loan includes current, 30 days delinquent, 60 days delinquent, 90 days delinquent, first month of foreclosure proceedings, more than one month after the start of foreclosure proceedings, real estate owned, and realized loss; and

5   wherein the operation of determining the first probability factor includes:

setting the first probability factor to one if the delinquency status of the loan is current;

setting the first probability factor to five if the delinquency status of the loan is 30 days delinquent;

10   setting the first probability factor to 10 if the delinquency status of the loan is 60 days delinquent;

setting the first probability factor to 15 if the delinquency status of the loan is 90 days delinquent;

setting the first probability factor to 20 if the delinquency status of the loan is in

15   the first month of foreclosure proceedings;

setting the first probability factor to 30 if the delinquency status of the loan is more than one month after the start of foreclosure proceedings;

setting the first probability factor to 99 if the delinquency status of the loan is real estate owned; and

20   setting the first probability factor to 100 if the delinquency status of the loan is a realized loss.

38.   The method of claim 35 wherein the at least one characteristic of the loan includes a current loan to value ratio for the loan; and

wherein the operation of determining at least one probability factor includes determining a second probability factor to account for the current loan to value ratio for the loan.

39.   The method of claim 38 wherein the operation of determining a second probability factor includes:

setting the second probability factor to −50 if the current loan to value ratio for the loan is less than 50;

setting the second probability factor to zero if the current loan to value ratio for the loan is between 50 and 75;

setting the second probability factor to 10 if the current loan to value ratio for the loan is between 75 and 100; and

setting the second probability factor to 25 if the current loan to value ratio for the loan is greater than 100.

40.   The method of claim 35 wherein the at least one characteristic of the loan includes a loan type, and wherein the operation of determining at least one probability factor includes determining a third probability factor to account for the loan type.

41.   The method of claim 40 wherein the operation of determining a third probability factor includes:

setting the third probability factor to 15 if the loan type is a subprime loan; and

setting the third probability factor to 5 if the loan type is an alternative credit loan.

42.   The method of claim 35 wherein the at least one characteristic of the loan includes a type of property, and wherein the operation of determining at least one probability factor includes determining a fourth probability factor to account for the type of property.

43.   The method of claim 42 wherein the operation of determining the fourth probability factor includes:

setting the fourth probability factor to negative five if the type of property is a second home; and

setting the fourth probability factor to five if the type of property is an investment property.

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44. The method of claim 35 wherein the at least one characteristic of the loan includes a bankruptcy proceeding; and

wherein the operation of determining includes determining a fifth probability factor to account for the bankruptcy proceeding.

45. The method of claim 44 wherein the operation of determining includes:

setting the fifth probability factor to ten if the bankruptcy proceeding is a chapter thirteen bankruptcy proceeding.

46. The method of claim 35 wherein the at least one characteristic of the loan includes a low document loan, a FICO loan, and a property issue, and wherein operation of determining includes:

setting the sixth probability factor to five for the low document loan;

setting the sixth probability factor to ten for the FICO loan; and

setting the sixth probability factor to 25 for the property issue.

47. The method of claim 35 wherein the at least one characteristic of the loan includes an early payment default; and

wherein the operation of determining at least one probability factor includes determining a seventh probability factor to account for the early payment default.

48. The method of claim 47 wherein the early payment default includes a first payment default, a payment default within the first three payments on a loan wherein the operation of determining includes:

setting the seventh probability factor to 15 for the first payment default; and

setting the seventh probability factor to five for the payment default within the first three payments on a loan.

49. The method of claim 35 wherein the operation of determining at least one probability factor includes determining an eighth probability factor to account for the financing of the loan.

50. The method of claim 49 wherein the financing of the loan includes a cash-out refinancing, an equity refinancing, and a purchase money loan; and wherein the operation of determining an eighth probability factor includes:

setting the eighth probability factor to five for the cash-out refinancing;

setting the eighth probability factor to 2.5 for the equity refinancing; and

setting the eighth probability factor to negative five for the purchase money loan.

51.   The method of claim 35 wherein the at least one characteristic of the loan includes an exception in the underwriting process, and wherein the operation of determining at least one probability factor includes determining a ninth probability factor to account for the exception in the underwriting process.

52.   The method of claim 51 wherein the operation of determining a ninth probability factor includes:

setting the ninth probability factor to ten if there are underwriting exceptions; and

setting the ninth probability factor to negative five if there are no underwriting exceptions.

53.   A method for generating a loss list for a set of loans comprising:

accessing a database storing an electronic record of the set of loans, the set of loans including a subset of at least one delinquent loan that includes an indication of delinquency and an indication of a value of the property associated with the delinquent loan;

comparing the value of the property associated with the delinquent loan with a threshold value; and

adding the at least one delinquent loan to the loss list if the value of the property associated with the delinquent loan meets the threshold value.

54.   The method of claim 53 wherein the operation of adding the at least one delinquent loan to the loss list includes adding the at least one delinquent loan to the loss list if the value of the property associated with the at least one delinquent loan is equal to or exceeds the threshold value.

55.   The method of claim 53 wherein the subset of at least one delinquent loan includes at least one subprime delinquent loan having an indication of subprime status, and further including the operation of adding the at least one subprime delinquent loan to the loss list.

56.   The method of claim 53 wherein the subset of at least one delinquent loan includes any loans in the set of loans having a 30 day delinquency, a 60 day delinquency, a 90 day delinquency, in foreclosure, and real estate owned, and further including the operation of adding the 60 day delinquent loan, the 90 day delinquent loan, the loans in foreclosure, and the real estate owned loans to the loss list.

57.   The method of claim 53 further including the operation of determining if the at least one delinquent loan has a specified value; and

adding the at least one delinquent loan to the loss list if specified value is met.

58.   The method of claim 53 further including:

accessing the database storing the electronic record of the set of loans, the set of loans including a subset of at least one loan having a watch list indication; and

adding the least one loan having the watch list indication to the loss list.

59.   A computer system for credit risk managing a loan pool having at least one loan for a property, the system comprising:

a loss estimation engine for estimating a loss for the at least one loan; and

a probability of loss engine for determining a probability of loss for the at least one loan.

60.   The system of claim 59 wherein the loss estimation engine includes:

a property value estimation module for estimating a value for the property;

a net proceeds estimation module for estimating a net proceeds from a sale of the property;

a liquidation timing module for estimating a liquidation time between a last interest paid date for the loan and a receipt of the net proceeds from the sale of the property; and

a total debt module for estimating a total debt for the loan.

61.   The system of claim 59 wherein the probability of loss engine includes:

a base probability module for assigning a base probability of loss to the loan;

a loan characteristic module for obtaining at least one characteristic of the loan;

a probability factor module for determining at least one loss probability factor associated with the loan, wherein the at least one probability factor accounts for the at least one actual characteristic of the loan; and

a summation module for summing the at least one probability factor with the base probability of loss, wherein the summation yields the probability of loss for the loan.

62.   A computer readable medium containing instructions which, when executed, perform the method of claim 1.

63.   A computer readable medium containing instructions which, when executed, perform the method of claim 35.

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64. A computer readable medium containing instructions which, when executed, perform the method of claim 53.